GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:3591
ANSWERED ON:16.08.2001
DEALERS TO RECONSTITUTE DEALERSHIPS
M.V.CHANDRASHEKHARA MURTHY

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government propose to allow the dealers to reconstitute their dealerships/distributorships to avoid the running of such dealerships under Benami transactions;

(b) if so, whether the Government propose to allow one of dealer of partnership firms of such dealership/distributorships and do not restrain the partner intending to leave such dealerships;

(c) if not, the reasons therefor; and

(d) the conditions/guidelines for allowing the outgoing partners to leave the distributorship by way of reconstitution?`

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) : The Government have delegated the powers for reconstitution of dealerships/distributorships to the Oil Companies subject to certain conditions.

(b) & (c): In the case of partnership firms, if one or more partner (s) wish to withdraw, the remaining partner(s) may be permitted to reconstitute the firms subject to the remaining partner(s) being acceptable to the Oil Company. The existing partner(s) must retain the majority share and the newly - inducted partner(s) will not be permitted to have majority holdings.

(d): According to the guidelines issued by the Government, reconstitution will not be allowed before three years from the date of commissioning and the subsequent reconstitution not before three years thereafter, except under the following conditions:

a) compassionate grounds.
b) death of a proprietor/partner(s); and
c) within the family.